

## Executive Summary

The Sustainability Task Force (STF) was charged with exploring the means by which we might as a church community sustainably and adaptably improve our long-term financial well-being.

First and foremost, the STF recommends that Union Church engage, independently or with the support of external consultants, a shift in its thinking and language regarding the raising of funds for its ongoing work as a programmatic (as opposed to pastoral) church in the Berea community. If we are to move to a sustainable model for programmatic activity and growth, we must continue to aggressively cultivate new membership (a short- to medium-term strategy), strengthen our commitment to cultivating bequests (a long-term strategy), and think about more of our work in terms of ongoing fundraising activity.

The STF does not have neither the expertise to make recommendations regarding membership growth nor the further cultivation of bequests. We know that the church has relationships with consultants who have expertise in helping frame these kinds of efforts, and would recommend that those individuals be brought in to help facilitate both broad, strategic efforts as well as in crafting specific messages and developing skills for cultivating membership and focused long-term giving.

The majority of our discussions focused on activities that might serve to raise funds for Union Church, and these activities fall into three broad categories. There are those activities that involve **reducing existing costs**, that are **income generating** for the church, and activities that facilitate **new giving** (from outside the congregation). Ultimately, we believe that a successful long-term strategy will involve increased membership, a renewed focus on unrestricted bequests, and engaging activities that have immediate financial benefit as well as support the growing of membership and giving.

What follows is a brief discussion of fundraising activities that came from the committee's deliberations and conversations with the congregation.

## 1. From Sprints to Marathons

Our concrete goal was to think in terms of minimum, short-term growth of at least \$60,000/year, as that appears to be representative of predicted shortfalls in the current budgetary thinking. However, any solutions must transition us from thinking about these needs on a year-to-year basis (“sprints”) to a long-term, sustained strategy of planning, and meeting, our annual budget (“marathons”).

As we engage in this discussion as a congregation, we believe it is important to make clear that we do not see this as necessary because of mismanagement or poor financial planning on the part of the church. Union Church—the congregation and its leadership—made a commitment to shift from its pastoral mission to a programmatic one, and this necessitates growth and renewed participation and giving from its members. As we grow out of the initial phase of this process—the capital campaign—and into a sustained mode of increased giving, it is important that we educate the congregation as to what this means in a way that does not come across as a constant refrain of “Give more! GIVE MORE! **GIVE MORE!**” Managing this transformation of message is not something we are confident we can advise on, but we believe that the transformation in congregational thinking must take place.

It is against this possible backdrop of an increasingly transparent and educational conversation regarding the church and its ongoing financial needs that we discuss ways we might consider **reducing costs**, generating **new income** within our existing (and growing) community, and **increasing our income from outside** of our immediate church community.

## 2. Reducing Costs

Reducing costs is never popular, as it involves making difficult decisions, changing existing behaviors, and possibly engaging in new behaviors. We offer the following ideas as possible ways to reduce our annual spending by as much as \$15,000 or more, if our estimates are accurate and all of these are possible.<sup>1</sup>

1. **Shifting the Sabbatic Term and Duration.** We believe that shifting to a two month sabbatical once every 5 years (or 3 months after 7 years) potentially introduces a \$2,000/year savings in our budget. We do not begrudge our pastoral staff their sabbaticals, but offer that shifting the model can shift cost.
2. **Shift the Position of Youth Director.** Currently, the youth director is a \$10,000/year position. In many churches, this is a responsibility that is explicitly part of the Associate Pastor's duties. Given the many and overlapping strengths of our pastoral staff in this area, we would suggest looking critically how pastoral staff's time is spent, and whether this needs to be an additional, paid position, or should it be rolled into the duties of the pastoral staff.
3. **One Pastor Per Sunday.** While it is true that our pastoral staff represent an impressive duo, we would ask whether alternating pastoral staff for Sunday services (or a bi-weekly rotation, or whatever) would allow for more flexibility of workload in light of other recommendations made here.
4. **Collegial Networks.** Berea College, literally, surrounds the church. We pay \$3,000/year for network services. Are we able to partner with the College to receive connectivity? Could this represent a partial, or even total, savings on network costs?
5. **Guest Preachers.** We budget \$800/year for guest preachers. It is our understanding that this is not typically tapped, and therefore eliminating this line item is likely redundant.
6. **Shifting Financial Services.** Are we confident that our existing financial advisors and service providers are providing us with the best possible

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<sup>1</sup> These ideas are presented in no particular order, but are enumerated for easy reference.

services at the best cost? Would fresh ideas in this space represent new savings or earnings on our returns and investments? We cannot predict what savings or new ideas might result from re-evaluating our financial service providers once every 4-6 years.

7. **Challenge the Boards.** As a way of bringing more of the lay leadership of the church into this conversation regarding ongoing financial sustainability, we might challenge boards to either 1) apply for or 2) be responsible for raising 20% of their own annual budgets. Phrasing this as “cutting the board budgets” is excessively negative; instead, we imagine challenging the church membership to engage in budget-minded thinking (and even actively engage in fundraising) through the efforts of the boards. This requires coordination, but it could represent a \$6,000/year savings, and even lead to new, revenue-generating ideas. All of this said, it would require additional coordination, so multiple boards do not “trample” each-other in their fundraising efforts.
8. **Zero-Based Budgeting (of Time).** Zero-based budgeting—where every line item in a budget is approved on a case-by-case basis every year, as opposed to simply approving changes in spend on a categorical basis (up or down) from year-to-year— is extremely time-consuming. However, it captures a way of thinking about resources that we suggest the church borrow from. Specifically, we would suggest that the staff look critically at their time (a limited resource) and how it is spent in service to the church’s mission. This takes us one step further than saying “we cannot always do more.” Instead, “zeroish-based budgeting” of time asks for a critical reflection on what the church staff is *currently* doing, what we believe staff *should* be doing or would *like* to be doing, and then consider shifting energies and effort accordingly.
9. **Assets Inventory.** If we are to manage the costs associated with a facility the size of (and dynamic as) Union Church, we should have a complete inventory of assets. This could possibly be an excellent youth engagement project, and would provide the community with much-needed information about the state of our assets, and thus aid in future planning and purchasing.

10. **Reduce Pay Increases.** We could reduce pay increases for our highest paid staff. If pursued, it would best be coupled with a critical look at how time is invested in the activities of the church (#8), as these are closely linked resources.

This list is neither exhaustive nor, necessarily, full of good/executable ideas. The STF tried to identify possible areas for consideration where reductions in spending might be found, and ultimately lead to more sustainable budgets in the future. It is the task force's sincere hope that these ideas serve as starting points for additional introspection and consideration of ways that we might, as a church, reflect on how we can most effectively leverage our resources in service of our mission.

### 3. New Income Generation

The STF brainstormed and discussed a wide variety of activities that would be profile- or income-raising in one or more ways. Our process included conversations with members of the church community, most notably through the “Sustainagility Potluck,” which produced many excellent ideas, reinforced others that had been considered previously, and was personally revelatory for at least one member of the committee.

Presented here are those ideas that we feel most merit additional discussion and consideration at this time. It is important to note that we do not agree unanimously on the value of any or all of these activities; there are tradeoffs, political, environmental, or otherwise to anything we might consider. We trust that the church and its leadership will consider the many dimensions to our recommendations as we move forward.

In a similar vein, it is easy to imagine new activities—but resource is not unlimited, especially the time of volunteers and staff. Any new agenda must be considered along multiple dimensions; in no particular order, but enumerated for reference:

1. **Staffing and volunteer requirements.** How much time is needed on the part of pastoral, administrative, or other staff and volunteers to make a particular activity known to the community and ultimately successful?
2. **Reach: church, local, regional, national.** Is the effort one that will tap our church community for further funds, the local community, our region, or could it be a potentially national fundraising activity?
3. **Mission impact.** Is the activity one that aligns well with the church’s mission, and does it raise our profile in light of that mission?
4. **Sustainability.** Does the activity need/want to be a one-off, bi-annual, annual, monthly, or weekly endeavor, and can we sustain it?

What follows are the ideas reflected upon by the STF in (a remarkably arbitrary) alphabetical order.

### 3.1 Building Use Fees

- **Description** – Establish an overhead rate based on all real costs and ensure that all events and meetings are aware of these costs and the current rate structure reflects these costs. For events and meetings that currently are allowed to use the building for free, these groups/individuals will be kindly informed of the overhead and a donation will be requested when possible. For example the boy scouts might once a year do a fundraiser for the church or at least request a donation to assist in the overhead cost.
- **Cost** – (Likely) no additional costs.
- **Income** – Possibly increase budget by \$2000–\$4000 from increased fees and \$1,500 from donations from groups that currently pay no fee.
- **Mission Impact** – Possibly negative if groups currently using the building for free feel uncomfortable when asked to consider a donation. Careful handling of some of these conversations may be necessary.

### 3.2 “Chatauqua Series”: Speakers, Conferences, Concerts

- **Description** – A series of 2-4 separate day-long events during the summers that would be a combination of speakers and performances. These would be designed to attract from a region wide audience and worthy of ticket prices that cover cost and provide income. Union Church would establish this series during the summer would there are fewer like events with the college and the slower church calendar. We would also work to coincide these days with other Berea events both the increase participation in our event and other local activities, such as the Arts and Crafts Festival. Union Church would work with other organizations the host providing the venue for their event of speakers and fundraising performances. Each of these days could be theme based and could include a speaker, preacher and/or workshops on the theme and end with a performance.
- **Costs** – We might need to invest in a better performance sound and lighting equipment and significant staff time.

- **Income** – At this time if all costs are considered the past performances generated very little income. However, we have learned a lot from these experiences and could take this knowledge and develop a program that would be much more cost effective. People could then purchase a series pass, day passes, or tickets for each event. To make this effective, we likely need to exceed costs significantly, perhaps by as much 100%.
- **Mission Impact** – It would help us to further our mission through partnerships with other organizations and through outreach on issues consistent with our beliefs. However, the challenge will be finding the balance of partnership and event design that is a partnership but also generates significant income for Union Church.

### 3.3 Entrepreneur Opportunities and Community Program Partnerships

- **Description** – There are endless needs of the community and possible solutions that typically need human and financial resources to effectively address. At times Union Church could play a role and sometimes a leadership role in creating a new program, resource or organization to address a need. Some of these needs could develop into a program that is also income generating and is aligned with our mission. For example the need for senior housing in Berea, we will use this example to describe this idea. Other suggestions included: commercial kitchen, meeting and catering space, etc.
- **Costs** – The costs for developing senior housing would be divided into planning, pre-development, construction and operation. We would assume that all but the planning and part of the pre-development would be independent of Union Church even if it was a separate but fully owned nonprofit subsidiary.
- **Income** – Unknown, but most housing that is not just high end housing typically can make a little profit, but is based on many variables.
- **Mission Impact** – There is a need in the community for this type of housing and an issue many of our members are concerned and engaged in. The negative impact could be if it did not include a reasonable affordable component and/or if it was such a large project that it took time away from other Union Church priorities.

### 3.4 Fundraiser/Event Calendar

- **Description** – Small and large fundraising ideas were suggested in our potluck discussion, including but not limited to: dances, clothing swaps/repurposing, pottery/art swaps, cook-out/BBQ dinners, more bazaars, gala dinner at Boone Tavern, and coffee house music nights. These ideas and/or others would be spread out over the year and a calendar of events would be created for the community and congregation. Each of these events would be sponsored by a church board and the proceeds would go to the work of that board. These events could also be done in partnership with other organizations. We could have one big event a quarter and then one small event on the off months. Some of these might only have a small suggested donation of a couple of dollars.
- **Costs** – PR and some materials.
- **Income** – Ideally each of the larger events would raise at least \$1,000 and then the smaller events an average of \$100, for a total of \$4,000 plus \$6,500 from the bazaar which would be one of the bigger events.
- **Mission Impact** – The positive would be additional community outreach and ideally offering a product that people want to attend beyond just wanting to support the church. Some of the ideas were also designed to assist in living simply through swaps and repurposing. The negative impact could be that Union Church is always asking for money.

### 3.5 Gift Card Scrip Programme, Amazon Smile

- The STF's understanding is that these efforts are underway, and no further analysis was undertaken.

### 3.6 Giving Education and Broadening Participation

- **Background** - This is part of a larger piece that we began discussing, which is that we have multiple models for how we think about fundraising (rescue, annual drive, ongoing business/budget), and that we want to increase the level of transparency and involvement of our community in the financial life of the church. This was driven by some initial ideas/relationship to the world of open source/open communities, and how they engage people broadly in projects that they are passionate about.

We also want this to be a part of additional giving program which include a Spring Forward Campaign, maybe after Easter and a process for one on one pledge requests.

- **Description-** Annual training or workshops which would provide information/dialog/tools for personal budgeting to reflect personal commitments and goals. We would use church budget as an example which would provide a broader understanding and transparency into our budget and the challenges of budgeting on a set of beliefs. These workshops would provide resources on how to make personal budgets reflect belief systems including socially responsible investing, wills, investments and possible ways to simplify to allow participants to align their finances with their beliefs.
- **Costs** – There might be some small costs beyond staff/volunteers for coordinating for producing materials, but we could ask for donations.
- **Income** - No idea. Perhaps moving towards increased giving (targeted, perhaps), as well as bequests?
- **Mission Impact** - Fits mission growth/sustainability. Assist in personal alignment with beliefs. This would be an ongoing workshop offered once or twice a year and would be open to the broader community. This then becomes a way of bringing people in, perhaps. It almost certainly becomes more valuable when it is part of an overall ecosystem; if we are doing more to engage people in the life of the church, increasing transparency of the organization, etc. as a concerted, organization-wide effort.

### **3.7 Joining the Chamber of Commerce & Community Organizations**

- **Description** – Join the Chamber of Commerce (and possibly other community organizations) to assist in outreach/PR for events, membership, and possible partnership with local businesses, non-profits, and individuals in Berea and surrounding communities.
- **Costs** - \$50 (Chamber of Commerce), but sometimes have lunches or meetings which have an additional cost.

- **Income** - *Unknown*. Need to know what we're going to do. Serves primarily to connect to businesses and organizations in the Berea area, and further promote the opportunities we are providing/efforts we are engaging in.
- **Mission Impact** – Outreach to and participation in the community (good), possible misalignment with the goals/beliefs at the national level of the chamber of commerce.

Ultimately, this moves us towards the idea of a continuous, year-round calendar of events. Such a calendar serves to coordinate board activities, outreach, and opportunities for telling Union Church's story throughout the region.

### **3.8 Music/Sermon CD/DVD**

- **Description** – Every year for sermons and possibly every year for music, we would make a CD of the greatest hits. This would ideally be compiled by a volunteer and made available for sale and outreach purposes.
- **Cost** – CD/DVD material and packaging.
- **Income** – Estimate 30 sold at \$10 (\$5 profit) and 20 @ \$5 for choir members and 20 for outreach at no cost. We might make \$1-200 each year or just break even.
- **Mission Impact** – Potentially great for outreach.

### **3.9 Paving Stones / Memorial Walk**

- **Description** - People can buy a brick in somebody's name as a memorial. For those we want to honor for their contribution to justice and peace, somebody can do a “kickstarter” of challenge grant by making an announcement and others can contribute for that stone, i.e. Nelson Mandela.

- **Costs** - If we outsource brick production, the gift subsumes the cost. If we buy a machine, there is an up-front cost that must be subsumed over the life of the project. If it is a laser engraver, we might be able to partner with SCOTS/Berea Crafts.
- **Income** - \$100 - \$1000 per stone, tier things in some way, if we want. We can imagine receiving \$2000-\$5000 per year, if cultivated and promoted.
- **Mission/Impact** - We might imagine this as a *Justice Walk* – we honor and remember those who have been examples of our mission in the past. You take a part in naming the mission. If too expensive, could be in conflict with the mission.

### 3.10 The Fancy Farm 2.0

- **Description** – An annual gathering on an epic scale: local foods, pig roast, family activities. Coupled with regional-scale local foods and craft bazaar, ideally growing to the point that we always draw from as far as Louisville and Cincinnati. Possible integration/coupling with a regional “mini-maker faire,” tapping an even broader, but related, community.
- **Costs** - Tents, tables, parking management, advertising, permits... the costs would be substantial, although some goods and services might be donated; estimate \$5000-\$8000 to throw a party of this scale.
- **Income** – \$20,000 is not unreasonable to imagine; income returned is likely proportional to the effort invested in organization and advertising.
- **Mission Impact** – A clearly large impact for annual fundraising, and incredible for mission/impact/outreach.

## **Conclusion**

Union Church is, in many ways, rich beyond measure. However, new and sustained programmatic effort requires smarter, not harder, effort on the part of existing staff as well as targeted and organized use of the (extremely capable) volunteer effort that our community can bring to bear on any one or more of the ideas presented herein. We summarize the essence of our recommendations in the following five points.

**Time.** We recommend that the church first looks critically at how the pastoral and administrative staff currently invest their time. All the work they do is good, but sadly, some efforts might be of greater impact when delegated or engaged in a new or more systematic manner.

**Resource Expenditure.** As an outgrowth of this contemplation, we recommend considering whether everything we spend our financial resources on are how we most need to be spending those resources. This is painful to consider in some cases, but we believe we should consider and discussion whether we can reduce our budget in reasonable ways.

**Community Awareness.** We believe that a more systematic, holistic approach to stewardship and financial thinking must be engendered within the church community. Approaches that more actively engage boards in thinking about their resource consumption and generation are just one example of how we can get more lay leaders of the church (and through them, more of the congregation) engaging in sustainable financial thinking.

**Long-term Giving.** Although the conversations may be difficult, unrestricted bequests are a powerful way to bolster our endowment in the long-term. Further, coupled with a clearly impactful mission in the community and region, it may be possible to reach far and wide in seeking this kind of support.

**Fund- and Profile-raising Activities.** Finally, we recommend considering engaging in targeted efforts at fundraising that are in line with our core mission, profile raising, and have a reach that is beyond our immediate congregation. Activities that are manageable with a minimum of resource but have a highly visible impact on our church and community (eg. paving stones, CD/DVDs) with modest return are good first steps. Activities that potentially have regional draw and substantial return (Fancy Farm 2.0) have more substantial costs and

management overhead. That said, these activities are likewise more powerful drivers for increased membership and other (smaller) fundraising activities.

**The Sustainability Task Force (June 2014 – September 2014)**

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